



AMENDED DECLARATION OF TRUST

**BDO INSTITUTIONAL CASH RESERVE FUND
A Money Market Unit Investment Trust Fund**

KNOW ALL MEN BY THESE PRESENTS:

This Amended Declaration of Trust (also referred to as "Plan") is executed by **BDO UNIBANK, INC.** ("**BDO**"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal offices at the BDO Corporate Center, 7899 Makati Ave., Makati City, with authority to perform trust and other fiduciary functions, acting herein through its **TRUST AND INVESTMENTS GROUP** (herein referred to as the "Trustee");

WITNESSETH:

Article I
CREATION OF THE TRUST

That for the purpose of providing investment opportunities to its trust clients through a diversified portfolio of investments pursuant to investment objectives and policies herein stipulated, the Trustee hereby establishes and declares itself as trustee of a money market unit investment trust fund for the collective investment of funds held by it in the capacity of trustee under the terms and conditions herein-below set forth.

Article II
NATURE AND INVESTMENT OBJECTIVES

Sec. 1 Title of the Fund – The pooled fund shall be known as the BDO Institutional Cash Reserve Fund (herein referred to as the "Fund").

Sec. 2 Nature of the Fund –The Fund is a unit investment trust fund established in accordance with and shall be operated subject to the stipulations of this declaration and as the same may be amended from time to time in accordance with the regulations issued by the Bangko Sentral ng Pilipinas (the "BSP") and to existing laws.

The Fund shall be treated as an entity separate and distinct from its constituent assets and from the contributions of the participants thereto and from other trust accounts administered by the Trustee.

As a money market unit investment trust fund, the Fund shall invest in bank deposits and fixed income securities with remaining terms to maturity of not more than three (3) years and has a weighted average portfolio life of one (1) year or less. The weighted average portfolio life shall be computed by weighting the remaining term to maturity of each underlying asset by its market value.

Title to Assets of the Fund - All assets of the Fund shall, at all times, be considered as assets held by the Trustee vested solely in the Trustee.

Nature of Participant's Interest in the Fund - No participant shall have or be deemed to have any ownership or interest in any particular account, investment or asset of the Fund but shall have only its proportionate and undivided beneficial interest in the Fund as a whole.

Description of the Fund – The features of the money market fund shall be described in **Appendix I** which is attached hereto and made an integral part hereof.

Sec. 3 Investment Objectives and Policy – The Fund shall be invested and reinvested in such investment outlets and held and disposed of in accordance with such investment objectives and policies as specified in **Appendix I** hereto.

The Trustee shall make available to all Participants for review a list of prospective and outstanding investment outlets which shall be updated quarterly. Such disclosure shall be substantially in the form prescribed under Appendix 56 of Section 414 of the Manual of Regulation for Banks.

Article III

PARTICIPATION: ADMISSION & REDEMPTION

Sec. 1 Qualified Participants (Requirements and Restrictions) – Prior to acceptance of the initial participation in the Fund, the Trustee shall perform a Client Suitability Assessment (CSA) for the purpose of profiling the risk return orientation and suitability of the client to the Fund.

Participation in the Fund shall be open to participants with existing investment management accounts or trust and other fiduciary accounts with the Trustee or its subsidiaries and subject to the rules or procedures stipulated in **Appendix I** hereto and those established by the Trustee which it deems to be advantageous or to the best interest of the Fund.

Sec. 2 Participation Units - Participation in the Fund shall always be through units of participation in the Fund and each unit shall have uniform rights or privileges as any other unit. The beneficial interest of each participation unit shall be determined under the net asset value per unit (NAVPU) valuation methodology defined herein. The admission or redemption of units of participation in the Fund may be made only on the basis of such valuation and in such frequency as indicated in **Appendix I** hereto.

Article IV

MANNER OF OPERATION

Sec. 1 Pooled Fund Accounting - The total assets and accountabilities of the Fund shall be accounted for as a single account referred to as pooled-fund accounting method.

Sec. 2 Distribution - The Fund shall be distributed exclusively in distribution channels duly authorized by the Trustee.

Article V
VALUATION OF THE FUND AND PARTICIPATION UNITS

Sec. 1 Valuation of the Fund – The valuation of the Fund shall be subject to the following rules:

- (a) The Trustee shall, on a daily basis, determine the net asset value (herein referred to as the “NAV”) of the Fund and the value of each unit of participation (herein referred to as the “NAVpu”).
- (b) The NAV shall be the summation of the market value of each investment of the Fund less fees, applicable taxes, and other qualified expenses as defined herein. The determination of market value of the investments of the Fund shall be in accordance with existing BSP rules and regulations on marking to market valuation of investment instruments more specifically described in **Appendix I** hereof.

Sec. 2 Valuation of Participation Units – The valuation of participation units shall be subject to the following rules:

- (a) The beneficial interest of each participant shall be determined under a unitized NAVpu valuation methodology and no participation shall be admitted to, or redeemed from the Fund, except on the basis of such valuation.

The NAVpu shall be determined by dividing the NAV of the Fund by the total number of units outstanding as of Valuation Date.

- (b) The NAVPu at the start of the Fund's operation, or the Fund's par value, shall be as indicated in **Appendix I** hereto.
- (c) The NAVpu shall be computed daily at the time specified in **Appendix I** hereof.

Sec. 3 Fees and Expenses of the Fund –

- (a) Trustee's Fees - The trust fees shall be as provided in **Appendix I** and shall be uniformly applied to all participants of the Fund.
- (b) Special Expenses - The Trustee may charge the Fund for special expenses if the same is necessary to preserve or enhance the value of the Fund. Such special expenses shall be payable to pertinent third party or parties covered by separate contract/s, and disclosed to the Participants.

Article VI
TRUSTEES POWERS & LIABILITIES

Sec. 1 Management of the Fund - The Trustee shall have the exclusive management, administration, operation and control of the Fund, and the sole right at any time to sell, convert, reinvest, exchange, transfer or otherwise change or dispose of the assets comprising the Fund.

However, if the Trustee deems it proper and beneficial for the Fund, the Trustee may engage the services of third party/ies as investment advisor or manager of a portion of the Fund; provided that the said arrangement shall be covered by a written agreement/contract and such third party/ies is/are disclosed in the quarterly reports to the participants of the Fund.

Sec. 2 Powers of Trustee – The Trustee shall have the following powers:

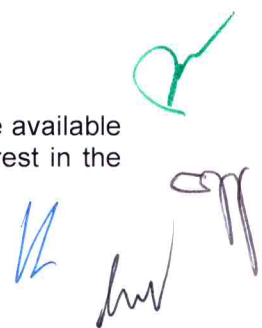
- a. To hold legal title over the assets comprising the Fund for the benefit of the Participants;
- b. To have exclusive management and control of the Fund, full discretion in respect of investments, and the sole right, at any time to sell, convert, reinvest, exchange, transfer or otherwise change or dispose of the assets comprising the Fund;
- c. To hold, place, invest and reinvest the Fund with full discretionary powers, and without distinction, as to principal and income in investments stipulated in Article II, Section 3 hereto and in such investments it may deem sound and appropriate, subject only to the limitations of the investment objectives and policies of the Fund stated in Article II, Section 3 hereto;
- d. To deposit in any bank or financial institution, including its own bank, any portion of the Fund as allowed under this Amended Declaration of Trust, subject to the requirement of Section 414 of the Manual of Regulations for Banks;
- e. To register or cause to be registered any securities of the Fund in nominee or bearer form;
- f. To appoint and retain the services of qualified and reputable local or foreign investment advisor and/or fund manager/s; provided, however, that the Trustee shall retain ownership and control of the Fund, and provided further, that the investment advisor/s and/or fund manager/s shall work within the investment parameters or guidelines set by the Trustee from time to time and shall be directly responsible to the Trustee for any investment actions and decisions undertaken for the Fund;
- g. To hire and compensate legal counsel/s, certified public accountant/s and other specialist/s in connection with administration and management of the Fund and the protection or advancement of its legal and other interests;
- h. To make, execute, acknowledge and deliver any or all securities, agreements, contracts, deeds, documents and instruments necessary in the management and reinvestment of the Fund, or in connection with the exercise of the powers herein conferred or the performance of acts herein authorized;
- i. To collect, receive and receipt for income, dividends, interest, profits, increments and such other sums accruing or due to the Fund; and
- j. To pay out of the Fund all costs, expenses, and proper charges incurred in connection with the administration, preservation, maintenance and protection of the Fund.
- k. To do such other acts which are necessary for the proper administration of the Fund.

Sec. 3 Liability of Trustee – Save that attributable to the Trustee’s fraud, willful default, bad faith or gross negligence, the Trustee shall not be liable for any loss or depreciation in the value of the Fund or in the value of the Trustor’s participation in the Fund. The Trustee shall not be liable for any act or omission where such action or inaction, in the good faith judgment of the Trustee, was then necessary, reasonable or appropriate for the proper and advantageous administration and management of the Fund.

Sec. 4 **Non-Coverage By PDIC** – **Participation in this Fund is a trust arrangement and is not a deposit account. As such, the participation in the Fund is not covered by the Philippine Deposit Insurance Corporation (PDIC). Any income or loss of the Fund (whether realized or unrealized) will impact the NAVpu and shall be for the account and risk of the participant.**

Article VII
RIGHTS OF PARTICIPANTS

Sec. 1 Right to Inspect Declaration - A copy of this Amended Declaration of Trust shall be available at the principal office of the Trustee for inspection by any person having an interest in the



Fund or by his authorized representative. Upon request, a copy of the Amended Declaration of Trust shall be furnished such interested person.

- Sec. 2 Disclosure of Investments - A list of existing and prospective investments of the Fund shall be made available to participants. Such disclosure shall be substantially in the form as provided under Appendix 56 of Section 414 of the Manual of Regulations for Banks. Upon request, participants in the Fund shall be furnished a quarterly list of investments held by the Fund.
- Sec. 3 Disclosure of Risks – Participants shall be informed of the risks attendant to this type of Fund through a “Risk Disclosure Statement.”
- Sec. 4 Rights Upon Termination of Plan – In case of termination of the Plan, the Participants shall have (a) the right to be notified of such termination in accordance with Article IX, Section 2 hereof and, (b) upon demand, the right to inspect or be provided a copy of the financial statement used as the basis for the distribution of the Fund.

In respect of the Fund, the rights of the remaining Participants as against each other shall be pari passu and pro-rata.

Article VIII
ANNUAL AUDIT AND REPORT

- Sec. 1 Aside from the regular audit requirement applicable to all trust accounts of the Trustee, an external audit of the Fund shall be conducted annually after the close of each fiscal year by an independent auditor acceptable to BSP. The external audit shall be conducted by the same external auditor engaged for the audit of the Trustee. The result of this audit shall be the basis of the Trustee’s annual report which shall be made available to all the Participants. The audited financial statement (AFS) of the Fund shall be PFRS/PAS-compliant in all respects. A copy of the AFS shall be made available at the Trustee’s place of business, posted on the Trustee’s website, and upon the request of participants, transmitted to them in printed or electronic format.

Article IX
AMENDMENTS & TERMINATION

- Sec. 1 Amendments - This Plan may be amended from time to time by resolution of the Board of Directors of the Trustee or by the Trustee’s Trust Committee as delegated by its Board of Directors, subject to the requirements under Section 414 of the Manual of Regulations for Banks: Provided, however, that Participants in the Fund shall be notified in writing (either in electronic or printed form), through publication of announcement in the Trustee’s own website or through the posting of notices in the premises of the head office and branches of the Trustee of such amendments. Those who are not in conformity with the amendments shall be given at least thirty (30) calendar days prior to the implementation of any amendment to withdraw their participations. Amendments to the Plan requiring a written notification to the BSP shall be submitted to the appropriate supervising department of the BSP within ten (10) banking days from the approval of the amendments by the Board of Directors of the Trustee or by the Trustee’s Trust Committee as delegated by its Board of Directors. All other amendments to the Plan that do not involve the aspects requiring a written notification to the BSP, as enumerated in Section 414 of the Manual of Regulations for Banks, shall only require approval by the Board of Directors of the Trustee or by the Trustee’s Trust Committee as delegated by its Board of Directors.

Sec. 2 Termination - This Plan may be terminated by a resolution of the Board of Directors of the Trustee when, in the sole judgment of the Trustee, continued operation thereof is no longer viable or by reason of a change in the Trustee's business strategy. The resolution shall specify the effective date of such termination. A copy of the resolution shall be submitted to the appropriate department of the BSP. At the discretion of the Trustee's Board of Directors, it may engage the services of a reputable accounting firm to look into the books and record of the Fund maintained by the Trustee and to certify to the financial condition of the Fund. Upon approval of the termination of the Plan, the Trustee shall notify the Participants accordingly.

Following the approval of the termination of the Plan but at least thirty (30) banking days prior to the actual termination of the Fund, the Trustee shall provide notice of the termination of the Fund to the remaining Participants. Such notice may be made by the Trustee by way of direct written notice to each Participant (either in electronic or printed form), publication of announcement in the Trustee's own website or through the posting of notices in the premises of the head office and branches, as well as in the corporate website, of the Trustee. Upon termination, the Trustee shall prepare a financial statement of the Fund which shall be made the basis for distribution to the participating Trustors.

Article X
OTHER TERMS AND CONDITIONS

This Amended Declaration of Trust is further subject to the other terms and conditions that may be stipulated in **Appendix I** hereof.

IN WITNESS WHEREOF, BDO has caused this Amended Declaration of Trust to be signed on _____ at Makati City, Metro Manila.

**BDO UNIBANK, INC.-
TRUST AND INVESTMENTS GROUP**
By:

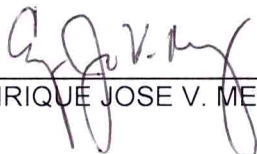


RAFAEL G. AYUSTE, JR.
Senior Vice President



JOEL M. ESCALA
First Vice President

SIGNED IN THE PRESENCE OF:



ENRIQUE JOSE V. MENDOZA

CRISTINA B.V. CONCEPCION

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
_____) S.S.

BEFORE ME, a Notary Public for and in the above jurisdiction, on this day of AUG 23 2023 at MAKATI CITY, personally appeared the following, exhibiting to me the following described Competent Evidence of Identity (CEI) in accordance with the 2004 Rules on Notarial Practice:

| | |
|--|---|
| Name | CEI/CTC |
| BDO Unibank, Inc. – Trust and Investments Group | |
| By: | |
| RAFAEL G. AYUSTE, JR. | Driver's License NO4-89-110764/expires on 20 Jan 2024 |
| JOEL M. ESCALA | Driver's License DO1-89-041483/expires on 13 Dec 2027 |

known to me and by me known to be the same persons who executed the foregoing Amended Declaration of Trust consisting of _____ pages including its annex documents and this page wherein this acknowledgment is written and who acknowledged to me that the same is their free and voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed on every page hereof my notarial seal at the place and on the date first above written.

Doc. No. 514
Page No. 104
Book No. LXIV
Series of 2023.


ATTY. SYLVIA M. MARFIL-GADAPAN
 Appointment No. M-323/Makati City
 Notary Public until December 31, 2024
 11th Floor, BDO Towers Valero, Salcedo Village
 Makati City
 IBP No. 258933, 01/03/23; Laguna
 PTR No. 9565130, 01/03/23; Makati City/ Roll No. 43222
 MCLE Compliance No. VII-0014613; until 04/14/2025

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BDO INSTITUTIONAL CASH RESERVE FUND

A Money Market Unit Investment Trust Fund

FUND SPECIFICATIONS**1. Investment Objective** (Sec. 3, Art. II)

(a) The objective of this Fund is to achieve for its participants mobilization of peso denominated investible funds to provide liquidity and a diversified portfolio of prudently selected highly liquid government securities, deposits and other fixed-income instruments with low price volatilities and a portfolio weighted average life of not more than one (1) year.

(b) Return Objective. The Fund aims to provide returns equal or better than the one (1) year rolling Peso Time Deposit average.

The benchmark represents the portfolio of the Fund as well as the movements in interest rates affecting the Fund's investments. The stated benchmark is a measure that is used to compare the performance of the Fund.

The one (1) year rolling Peso Time Deposit average reflects the one (1)-year rolling daily averages of Peso Time Deposit Rates from select five (5) banks.

2. Investment Policy (Sec. 3., Art. II)

(a) Pursuant to the foregoing objectives, the Trustee, with full discretionary powers, may invest and reinvest the Fund in:

- (1) Investments allowed under regulations issued by the BSP;
- (2) Bank deposits in the Trustee's own bank or in other banks;
- (3) Securities issued or guaranteed by the Philippine government or the BSP;
- (4) Tradable securities issued by the government of a foreign country, any political subdivision of a foreign country or any supranational entity;
- (5) Exchange-listed fixed income securities;
- (6) Marketable instruments that are traded in an organized exchange;
- (7) Loans traded in an organized market;
- (8) Such other tradable investments outlets/categories allowed for money market UITFs by the relevant regulations and determined by the Trustee's Trust Committee as suitable for the Fund.

The Fund may avail itself of financial derivatives instruments solely for the purpose of hedging risk exposures of its existing investments provided these are disclosed to Participants, are accounted for in accordance with existing BSP hedging guidelines as well as the Trustee's risk management and hedging policies duly approved by the Trust Committee and all the requirements for hedging transactions under Philippine Accounting Standards (PAS) are observed. The risk exposures include those enumerated in the Risk Disclosure Statement of the Trustee's UITFs.



- (b) **Modified Duration Policy.** The modified duration is less than 1. Modified duration is a measure of a bond's sensitivity to a 1% (or 100 basis points) change in interest rates assuming that cash flows are not affected by changing interest rates.
- (c) **Single Exposure Limit Policy.** The combined exposure to any entity and its related parties must not exceed 15% of the market value of the Fund. This limitation shall not apply to non-risk assets as defined by the BSP. In case the limit is breached due to the marking-to-market of certain investment/s or any extraordinary circumstances, e.g. abnormal redemptions which are beyond the control of the Trustee, the Trustee shall be given thirty (30) calendar days from the time the limit is breached to correct the same.

3. **Qualified Participants: Requirements, Restrictions and Suitability** (Sec. 1, Art. III)

Participation in the Fund shall be open to any participants with existing investment management accounts (IMA) or trust and other fiduciary accounts (TA) with the Trustee or its subsidiaries.

The Fund is suitable for participants with moderate risk appetite and who are looking for liquid investments with yields relatively higher than those of savings and time deposit accounts. The Fund aims to provide participants with a parking facility for their excess cash.

4. **Admission and Redemption** (Art. III)

(a) **Policies of Admission and Redemption**

- (1) **Minimum Initial Participation** – There shall be no minimum amount of participation.
- (2) **Minimum Maintaining Participation** - There shall be no minimum maintaining participation.
- (3) **Minimum Holding Period** - There shall be no required minimum holding period.
- (4) **Minimum Additional Contribution** – There shall be no minimum amount of additional contribution.
- (5) **Early Redemption Fee** – There shall be no early redemption fee.

(b) **Admission and Redemption Cut-off Time.** Admission and/or Notice of Redemption received by the Trustee on or before the cut-off time of **11:30 am** shall be considered as transaction for the day. However, admission/notice of redemption received after the cut-off time shall be considered as transaction for the next applicable banking day. **Proceeds of redemption shall be paid out of the Fund after 4:00 pm on the same banking day as the transaction date.**

A Confirmation of Transaction shall be generated and provided to the Participants after the admission/redemption has been settled.

(c) **Admission and Redemption Prices.** Admission and redemption prices shall be based on the end of day NAVpu of the Fund computed after the cut-off time for Fund participation and redemption for that reference day, in accordance with existing BSP rules and regulations on marking to market valuation of investment instruments.

(d) **Participation Requirements and Conditions.** Participation shall also be subject to the submission of all documents required for account opening under the Anti-Money Laundering Act, as amended, and the Trustee's policies.

(e) **Redemption Requirements and Conditions.** Redemption shall also be subject to the following requirements/conditions.



(1) **Redemption Notice Period** - The participant in a Fund may redeem its participation on any banking day provided that a notice of redemption, in any form acceptable to the Trustee, is duly received by the Trustee before the cut-off time of **11:30 am**. However, when in the opinion of the Trust Committee of the Trustee, the interest of the Fund/Participants so requires, the right is reserved to require a five (5) banking day written notice in advance of any redemption of participation in the Fund. If the Trust Committee approves the exercise of such right, the Trustee shall duly notify the Participants of the Fund of said five (5) banking day advanced written notice for redemptions through notices posted in the bank's website and branches.

(2) **Partial Redemption** - Partial redemption is allowed. A Confirmation of Transaction shall be generated and provided to the Participants which shall indicate the remaining number of units, if any.

In any case, the Omnibus Participating Trust Agreement between the Trustee and Trustor/Participant shall be terminated upon pay-out of the full participation of Trustor in the BDO UITFs.

(f) **Suspension of Admission and Redemptions.** The Trustee may temporarily suspend the calculation of the NAV/NAVpu of the Fund as well as the admission and redemption from the Fund, if it is unable to determine the NAVpu of the Fund due to any fortuitous event such as fire, natural calamity, public disorder or national emergency affecting the financial market resulting in the suspension of trading and consequently, the absence of available market prices of securities/instruments.

5. **NAVpu (Secs. 1 and 2, Article V)**

All assets of the Fund shall be marked to market daily in accordance with existing BSP rules and regulations on marking to market valuation of investment instruments.

On a daily basis, the Trustee shall determine the net assets of the Fund and the market value per unit of the Fund in accordance with Article V of this Amended Declaration of Trust. Such dates shall be known as Valuation Dates.

The value of the NAVpu at the start of the Fund's operation shall be **PESOS: ONE HUNDRED (Php100.00)**.

The NAVpu of the Fund shall be published at 4:00 PM in the Trustee's website (www.bdo.com.ph) on each banking day or as close thereto as possible after all relevant information necessary for calculating the same shall have been collected.

6. **Currency**

Participation and redemption shall be paid in Philippine Pesos.

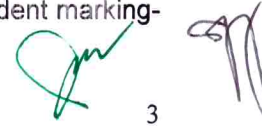
7. **Fees and Expenses** (Sec. 3, Art. V)

There shall be no trust fees to be collected from the Fund. (As the Fund will be used as an investment outlet for the existing investment management accounts or trust and other fiduciary accounts of the Trustee and its subsidiaries, the fees under such accounts will apply).

8. **Other Terms And Conditions** (Art. X)

8.1 **Custody of Securities**

Investments in securities of the Fund shall be held for safekeeping by Standard Chartered Bank, Deutsche Bank and/or BSP accredited third party custodians which shall perform independent marking-to-market of such securities.



8.2 Withholding Taxes

Except when specifically required by law, the Trustee shall have no responsibility to withhold income or other taxes on revenues from the Fund.

8.3 Advice of Counsel

The Trustee may consult its legal counsel with respect to the meaning, construction and operation of any provision of this Amended Declaration of Trust, or concerning its powers or obligations hereunder and may act on the advice of such legal counsel without incurring liability on account of any such action.

8.4 Change of Trustee

The Trustee may resign by nominating a successor Trustee whose appointment shall be approved by the Board of Directors of the Trustee. The Trustee may resign for reasons such as change in business strategies, impending dissolution and the occurrence of an event which renders it incapable of discharging its functions as Trustee. Upon such approval by the Trustee's Board of Directors, the Trustee shall provide a written notice to the Participants and the BSP of the change of Trustee. Such resignation shall take effect after thirty (30) calendar days from the issuance of such notice. The Trustee shall assign, transfer and pay over to such successor Trustee all cash, securities, credits and other properties in its possession then comprising the Fund; shall turn over the records of the Participants; and render a written account setting forth a listing of the outstanding securities and other properties held by it at the end of such period, at their cost and current market values. The successor Trustee shall approve such accounting through written notice delivered to the Trustee and whereupon such accounting shall be deemed approved in all matters, items and things set forth therein. The successor Trustee shall likewise execute the necessary amendments to the Declaration of Trust in accordance with applicable rules and regulations.

